

Crypto

Research Project

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Introduction

As cryptocurrency adoption increases around the world, more and more retailers are accepting it as a payment method to differentiate themselves, cut payment

processing costs and prepare for the future where improvements to blockchain transactions speed make transacting with crypto easier and easier.

As the number of transactions that are conducted online increases, the number of payment methods being offered is likely to increase. Cryptocurrencies, specifically Bitcoin, are already being accepted by several major companies like Expedia, PayPal and Microsoft. As more online stores adopt of cryptocurrencies as a payment method, activity in cryptocurrency exchanges is likely to increase, providing an opportunity for industry operators. In the five years to 2023, demand from online shopping is expected to increase by 7.3%.

One company that makes merchant crypto banking possible is DizPay. DizPay provides businesses with a secure, seamless, and cost-effective method to accept, send, and automate cryptocurrency payments.

This research report is prepared for the benefit of DizPay. It will examine the ideal customer for DizPay to go after and where they are; their competitors and finish with a marketing SWOT Analysis.

Customer Profile

The following buying motivations are created to help identify DizPay's ideal customer. The most valuable customer values:

1. Access to the latest available and most efficient technology and techniques: Access to the latest available and most efficient technology enables companies to process more noncash payments at a lower cost, which improves profitability and generates more revenue for industry players.
2. Low operating costs: Being able to minimize transaction costs is critical because it enables companies to be more competitive and increase their profit margins.
3. Use of specialist equipment or facilities: Processing large volumes of payment transactions requires industry participants to use and have access to technology and equipment that can successfully carry out these transactions.
4. Ability to effectively change community behavior: Providers of crypto-payment services heavily rely on the acceptance of emerging payment methods. The way they manage these relationships and their responsiveness to the communities' needs is an integral component of their success.
5. Economies of scale: Per unit and average costs of transactions can be reduced if economies of scale are achieved. This is particularly important to

this industry, which will experience increased competition for some time to come.

6. Comply with government regulations: The ability to quickly change operations and procedures to adapt to increasing government regulation contributes to a company's success.

Competitor Analysis

Elegro

<https://elegro.io/>

Transactions Processed	-
Monthly Users	-
Merchants	-
Payment Model	Merchants accept Bitcoin and other cryptocurrencies online and at POS. The merchants get settled in fiat without the need to open a crypto wallet or to get involved in the underlying blockchain technology.
Customer Acquisition	Elegro largely use their exchange to attract new business customers. Their website is divided into personal trading and business acceptance, so to two support each other well in terms of customer acquisition. There is no partner program, no affiliate program and little else by way of promotion other than using their integration partner marketplaces (Shopify and WooCommerce). Europe (Germany and Lithuania in particular) are the major regional targets.
Verticals Targeted	Online retailers.

BitPay

<https://bitpay.com/>

Transactions Processed	More than \$5B worth of transactions since inception. Processing \$1b annually. 30m+ transactions each year.
Monthly Users	-
Merchants	100,000+ (incl. Microsoft)
Payment Model	Merchants can accept payments online, over email and in-person.
Customer Acquisition	<p>Being based in the US does wonders for BitPay;s customer acquisition strategy. They're perceived as being reliable, trusted and close to state and federal taxes for local retailers.</p> <p>With a huge client in Microsoft on their books, BitPay do an excellent job of testimonial content which drives traffic. So much so, most of the other competitors on this list are bidding on the brand search term, 'BitPay'.</p>
Verticals Targeted	Uniquely, BitPay advertises their affinity with charities. They have over 100 as clients. Charities are an excellent use case for crypto and a sensible target market. Travel.

Coingate

<https://coingate.com/>

Transactions Processed	300,000 merchant payments since January (2018)
Monthly Users	80,000
Merchants	4,500
Payment Model	Merchants can receive Bitcoin and Altcoin payments via CoinGate using a range of tools: plugins/modules for the most popular e-commerce systems, API, Point of Sale apps, and payment buttons. Additionally, customers can pay with over 50 Altcoins via Changelly integration, converting any payment to Bitcoin automatically.
Customer Acquisition	Coingate is focused on the crypto industry, helping crypto companies accept crypto payments through Changelly and other integration partners. Rather than attracting mass market adopters, Coingate is

	<p>niched and nuanced to keep their education sequence and selling process to a minimum.</p> <p>It isn't a surprise that most of their customer acquisition is thanks to their affiliate program. Affiliate programs are utilized heavily in crypto and because most consumers accept recommendations from those they trust (and that are like them), new customers are in the crypto industry.</p>
Verticals Targeted	Crypto Mining, Server Hosting,

B2B InPay

<https://b2binpay.com/>

Transactions Processed	-
Monthly Users	1,000 forex brokers using B2BinPay
Merchants	700
Payment Model	B2BinPay offers gateway solutions for both merchants and enterprises.
Customer Acquisition	<p>The core advantage of B2BinPay is the B2Broker technology and liquidity solution that accompanies it. B2Broker allows users to open their own Forex brokerage and accept cryptocurrencies. It is their obvious source of customer acquisition and a huge competitive advantage that helps them reduce the threat of new entrants.</p> <p>Most of the promotion for this acquisition channel is through Google AdWords, Telegram and Reddit (unsurprising given this is where the crypto savvy congregate).</p> <p>Search generates 34.9% of their traffic and their inbound marketing efforts (such as their 'Using Cryptocurrency to Develop Your Business' article) are performing strongly.</p>
Verticals Targeted	Forex, Hedge Funds, Online Stores, Gaming.

CoinPayments

<https://www.coinpayments.net/>

Transactions Processed	\$930 million USD in business transaction volume and over \$1.3 billion USD in consumer transaction volume.
Monthly Users	-
Merchants	2,367,000. Details here .
Payment Model	a cloud wallet solution that offers an easy way to integrate a checkout system for numerous cryptocurrencies. Its website offers payment solutions for multiple crypto-currencies such as bitcoin and 1,500 others. The company also provides various shopping cart plugins, as well as custom payment solutions and an array of merchant tool. Instant crypto checkout with easy to use cart plugins, advanced buttons, invoice builder, and an API for custom integrations
Customer Acquisition	CoinPayments boast huge merchant numbers and use their customer numbers strongly in their marketing communication. They also rely on heavy social media posting and a generous affiliate program,
Verticals Targeted	Gaming, financial services

Coinbase Commerce

<https://commerce.coinbase.com>

Transactions Processed	\$50 million
Monthly Users	10,000
Merchants	2,000+
Payment Model	An open system in which any firm with a cryptocurrency wallet can pay participating merchants whereas other providers accept crypto on behalf of customers and then pay merchants in fiat.
Customer Acquisition	The core strategy of Coinbase is to build a wallet and exchange that integrates with ecommerce apps (such as Shopify, Magento and WooCommerce), By targeting ecommerce stores particularly those

	built on modern solutions, Coinbase attracts merchant that is already familiar with the digital revolution and has a higher likelihood of crypto adoption. This one to many approach is similar to a Partner Channel (this version being an Integration Partner) and is used extensively across other competitors analyzed in this report.
Verticals Targeted	Retail, eCommerce.

Marketing SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> - Partner programs - POS Device - Comparative marketing (i.e. fee calculator) - Subscription pricing (as opposed to % revenue). 	<ul style="list-style-type: none"> - No customer case studies or testimonials (incl. verticals) - No inbound marketing - No educational content (i.e. why accept crypto payments) - Value propositions are weak and marketed as features not benefits - Untapped Telegram account
Opportunities	Threats
<ul style="list-style-type: none"> - Data (how many merchants are accepting payments, how many transactions, how much money they've saved). - Integrations (Shopify, WooCommerce and unique integrators etc.) - Implementation partner program - Market timing - Security (in a world clouded in uncertainty, merchants need a trusted friend to guide them). 	<ul style="list-style-type: none"> - Regulation - Cyber attacks - New entrants (Binance, Gemini etc.) - Blockchain processing times - Integration partners creating competitive product / removing support - Decentralised payment gateways